GOVERNMENT OF INDIA
CIVIL AVIATION
LOK SABHA

UNSTARRED QUESTION NO:3134
ANSWERED ON:18.12.2008
COMMISSION TO TRAVEL AGENTS
Bhargav Shri Girdhari Lal

Will the Minister of CIVIL AVIATION be pleased to state:

(a) whether the Airlines companies have decided to stop payment of commission to travel agents for tickets sold through them from October,2008;

(b) if so, whether State owned airline Air India is also likely to follow suit;

(c) whether travel agents deprived for the earnings on commission will be permitted to charge the customers additional sums as service charges; and

(d) if so, the details thereof?

Answer

MINISTER OF STATE (INDEPENDENT CHARGE) OF THE MINISTRY OF CIVIL AVIATION (SHRI PRAFUL PATEL)

(a), (b), (c) and (d):- Full Service Airlines earlier used to offer 5% commission to travel agents on basic fare. However, From 1st Nov., 2008, Air India (AI), Jet Airways and Kingfisher Airlines abolished the agency commission and introduced the transaction fee model. Subsequently Jet Airways and Kingfisher Airlines have started paying agency commission on basic fare and fuel surcharge. Air India (AI) has abolished transaction fee from 2nd December onwards.

In case of Low Cost Carriers (LCCs), if the passenger opts to purchase a ticket through travel agent, there is transaction fee added on top of the total fare, which ranges 5 to 6% and it is entirely retained by the travel agent.

Air ticket commission is a commercial matter between Travel Agencies and Airlines. Government does not regulate commercial matters of the Airlines.